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as shareholders for three to five years. There may be a growth in value, but there could also be...I mean the company could go broke and there could be a diminishing value and they would be denied the right to immediately sell their stock and recoup their ownership interest. I have these apprehensions. I feel, in conscience, I have to vote against the bill, but I certainly accept the explanation that Senator Landis has furnished to us.

SENATOR CROSBY: Senator Landis, there's still two minutes.

SENATOR LANDIS: Thank you. Given that experience and that skepticism about the process, I understand Senator Matzke's concerns. Let me tell you a couple of things about the process. Number one, policyholders vote on the transition. In other words, the mutual...the demutualization process is not imposed on policyholders. Policyholders have to vote on whether to do it. Now, frankly, most people do that by proxy. I got to say that there's not a whole lot of, you know, knowing decision making there. That's the way it is with most corporate decisions by stockholders as well. It's done by proxy, but companies do not demutualize without the permission of their policyholders. Secondly, when it comes time to value the stock, it's not by the...done by the company. It's done by independent actuaries paid for by the company, but brought in by the Insurance Department to value the existing policyholders' rights...

SENATOR CROSBY: One minute.

SENATOR LANDIS: ...and assign them a value in the ongoing business, consistent with what the actuaries say they are entitled to. These may or may not be sufficient guarantees to make you comfortable with demutualization. I will tell you this. If you do not permit mutual companies to demutualize into stock companies, they will dry up and blow away in the context of the late nineties. And most of Nebraska's or many of Nebraska's domestic insurance companies are mutual companies. It means that they're slow moving, slow to grow, and it means that they cannot do the acquisitions and mergers, which are the signs of success, at least in this contemporary situation. Demutualization may have some risks and there certainly may be some bad stories about them, but policyholders get to decide,